

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1735 - SB 2291

February 19, 2022

SUMMARY OF BILL AS AMENDED (013807): Lowers, from 21 to 18, the minimum age required for a person to lawfully carry a handgun, whether openly or concealed. Removes certain military service requirements for a person 18 years of age to lawfully carry a handgun, whether openly or concealed.

Lowers, from 21 to 18, the minimum age required for a person to obtain an enhanced, lifetime enhanced, and concealed handgun carry permit. Removes certain military service requirements for a person 18 to 20 years of age to obtain an enhanced, or lifetime enhanced, handgun carry permit.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue - \$163,500/FY22-23/Handgun Permit Division
\$107,900/FY23-24/Handgun Permit Division
\$53,900/FY24-25/Handgun Permit Division

\$51,800/FY22-23/Tennessee Bureau of Investigation
\$34,200/FY23-24/Tennessee Bureau of Investigation
\$17,100/FY24-25/Tennessee Bureau of Investigation

Increase State Expenditures – \$3,400/FY22-23/Handgun Permit Division
\$2,200/FY23-24/Handgun Permit Division
\$1,100/FY24-25/Handgun Permit Division

\$22,600/FY22-23/Tennessee Bureau of Investigation
\$14,900/FY23-24/Tennessee Bureau of Investigation
\$7,500/FY24-25/Tennessee Bureau of Investigation

Increase Local Revenue - \$15,500/FY22-23
\$10,200/FY23-24
\$5,100/FY24-25

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 39-17-1366 (b)(3), in order to qualify for a concealed handgun carry permit, among other requirements, an applicant must meet the qualifications for issuance of an enhanced handgun carry permit. Thus, in addition to

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lowering the age to obtain an enhanced or lifetime enhanced permit, the proposed legislation would have the effect of also lowering the lawful age to obtain a concealed carry permit to 18.

- It is assumed that the Department of Safety's (DOS) Handgun Permit Division will realize an increase in revenue from the cohort of potential permit applicants aged 18-20 who will no longer need to wait until age 21 to apply.
- This increase in revenue is estimated to diminish at a steady rate over the course of three fiscal years, at which point the surge effect of the proposed legislation on permit revenue will have levelled out.
- Based on information provided by DOS, the total number of applicants aged 18 that will apply for any one of the three relevant permits is estimated to be 564 in FY21-22.
- Between 2020-2021, the respective percentages of permits issued for each type among the relevant group was as follows:
 - Concealed – 39%
 - Enhanced – 36%
 - Lifetime Enhanced – 25%
- The fee for an original issue of each is as follows:
 - Concealed – \$65
 - Enhanced – \$100
 - Lifetime Enhanced – \$300
- From every enhanced and lifetime enhanced fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining their databases; \$35.15 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation (FBI) fingerprint background checks.
- Therefore, the revenue that accrues to the DOS after background fees are disbursed is as follows:
 - Concealed – \$65
 - Enhanced – \$34.85
 - Lifetime Enhanced – \$234.85
- The increase in revenue in year one related to 18-year-olds is estimated to be \$54,487:
 - Concealed – $(564 \times 39\% \times \$65) = \$14,297$
 - Enhanced – $(564 \times 36\% \times \$34.85) = \$7,076$
 - Lifetime Enhanced – $(564 \times 25\% \times \$234.85) = \$33,114$
 - Total – $(\$14,297 + \$7,076 + \$33,114) = \$54,487$
- It is assumed the same amount of revenue will be received from 19 and 20-year-olds.
- Therefore, the total increase in revenue to DOS is estimated to be as follows:
 - \$163,461 $(\$54,487 \times 3)$ in FY22-23.
 - \$107,884 $(\$163,461 \times 66\%)$ in FY23-24.
 - \$53,942 $(\$163,461 \times 33\%)$ in FY24-25.
- The DOS will incur an increase in expenditures related to printing new permits cards. The estimated cost per permit is \$1.99.
- Therefore, the total increase in expenditures to DOS is estimated to be as follows:
 - \$3,367 $(1,692 \text{ permits} \times \$1.99)$ in FY22-23
 - \$2,222 $[(1,692 \text{ permits} \times 66\%) \times \$1.99]$ in FY23-24

- \$1,111 [(1,692 permits x 33%) x \$1.99] in FY24-25
- For each new enhanced and lifetime enhanced permit application, the TBI will receive \$50.15. The increase in revenue to the TBI is estimated to be as follows:
 - \$51,755 (1,032 permits x \$50.15) in FY22-23
 - \$34,158 [(1,032 permits x 66%) x \$50.15] in FY23-24
 - \$17,079 [(1,032 permits x 33%) x \$50.15] in FY24-25
- The TBI reports an expense to the fingerprint vendor of \$8.65, and an additional expense of \$13.25 to the FBI per background check, for a total expenditure per background check of \$21.90 (\$8.65 + \$13.25).
- Therefore, the total increase in expenditures to the TBI is estimated to be as follows:
 - \$22,601 (1,032 permits x \$21.90) in FY22-23
 - \$14,917 [(1,032 permits x 66%) x \$21.90] in FY23-24
 - \$7,458 [(1,032 permits x 33%) x \$21.90] in FY24-25
- From every enhanced and lifetime enhanced fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check. Therefore, the total increase in revenue to local sheriff's offices is estimated to be as follows:
 - \$15,480 (1,032 permits x \$15) in FY22-23
 - \$10,217 [(1,032 permits x 66%) x \$15] in FY23-24
 - \$5,108 [(1,032 permits x 33%) x \$15] in FY24-25
- The proposed legislation is not estimated to change the current rate of permit renewals.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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